

## ROUTING AND RECORD SHEET

SUBJECT: (Optional) Jack Anderson's Column of 29 November 1981 Entitled  
 "The CIA's Real Sins" and the Foreign Report Article  
 of 12 November 1981 Entitled "Short-Sighted Spies" (U)

FROM:   
 Director of Security  
 4E-60, Headquarters

EXTENSION

NO. OS 1 2616/A

DATE

28 DEC 1981

STAT

TO: (Officer designation, room number, and building)

DATE

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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DDA 12/28/81  
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81-2499/1

28 DEC 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Deputy Director for Administration

FROM: [REDACTED]  
Director of SecuritySUBJECT: Jack Anderson's Column of 29 November  
1981 Entitled "The CIA's Real Sins" and  
the Foreign Report Article of 12 November  
1981 Entitled "Short-Sighted Spies" (U)

1. The initial review of the two subject articles suggested that both had come from the same classified source. Later, however, a review of the Jack Anderson column by the National Foreign Assessment Center (NFAC) Office of Soviet Analysis (OSA) indicated that the Anderson article may have been based on the Team B Soviet Report of December 1976. The documentary source of the Foreign Report article has not been established. (S)

2. The specific points noted in the Anderson article (Tab A) appear to be paraphrased sections from the Team B report entitled "Soviet Strategic Objectives-An Alternative View," [REDACTED] December 1976. This report was critical of the Central Intelligence Agency (CIA) and the National Intelligence Estimate (NIE) process. The first four points noted in the Anderson column were among the main points in the Team B report. Part two of the report (on page nineteen) listed ten areas in which the CIA NIE process had underestimated the Soviet threat to the United States. Subsections one, four and five (on page nineteen) discussed the NIE's failure to estimate the Soviet nuclear missile threat. These sections correspond to the first three items in the Anderson column. The fourth Anderson item discussed the lack of understanding of Soviet objectives. Team B discussed this issue in detail on page twelve and concluded that the CIA NIE's had wrongly concluded that the Soviets were primarily a defensive power. (S)

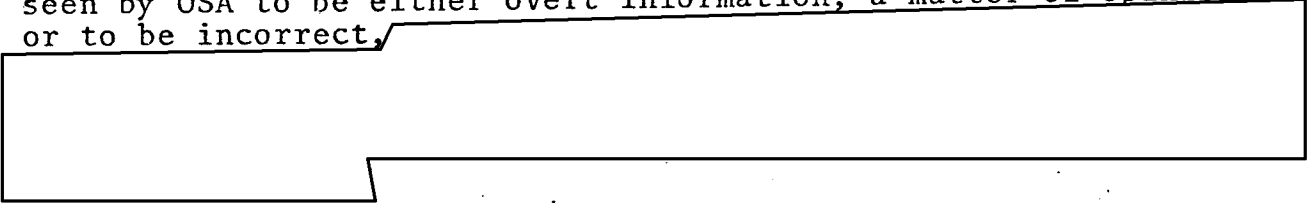
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25X1 3. The remaining four points in the Anderson column were seen by OSA to be either overt information, a matter of opinion or to be incorrect.



4. It is doubtful that Anderson actually has the Team B report because if he did, he would probably quote from it. His column, and specifically the four classified points noted above, appear to be paraphrased and, according to OSA, could have come from press leaks, in late 1976 and early 1977, on the Team B reporting. (S)

5. It was initially thought that the Foreign Report (Tab B) could have been based on the 1980-81 Reagan Transition Team report. This report was reviewed on 18 December 1981 and found not to be the source of the Foreign Report item nor the Jack Anderson column. (S)

6. The Security Officer on the National Security Council staff has been provided with the Anderson column and the Foreign Report item. He indicated on 21 December 1981 that he had not been able to locate the source documents of either article, but that a full report on his investigation would be provided in early January when National Security Council employees return from their holidays. (S)

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#### Attachments

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1 - DCI  
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S E C R E T



CPYRGHT

Washington Post

29 November 1981

Jack Anderson

## The CIA's Real Sins

For all its "destabilization" efforts, "disinformation" programs and cloak-and-dagger activities, the CIA's real function is supposed to be expert, objective analysis of world events.

Yet not a single piece of pending legislation intended to "unleash" the CIA would have any significant effect on the agency's ability to perform its prime function.

By demanding punishment for anyone who names its agents, seeking authority to spy on Americans and claiming exemption from the Freedom of Information Act, the CIA is deliberately throwing up a smokescreen to hide its failures at intelligence-gathering.

A point to keep in mind is that a decade ago, the CIA was doing most of what it is asking Congress for authority to do now. But the illegal James Bond operations did not improve the quality of the CIA's intelligence.

That's what should be the subject of the debate on Capitol Hill—the quality of the CIA's intelligence, not the side issues and irrelevancies that are getting all the attention.

A devastating assessment of the CIA's performance has been under review by White House aides. The top-secret analysis has been examined by my associate Dale Van Atta.

Mind you, the appraisal was not the work of the CIA's usual liberal critics. It was prepared by professionals for the most conservative administration in half a century.

Here is its truly appalling conclusion:

"The American intelligence community, chiefly the CIA, has routinely failed to predict major political and military developments before such developments become irreversible and before they become blatantly obvious, even to the general public."

What the report called "massive and virtually inexplicable intelligence failures that have occurred during the last 15 years" include the following:

- "Abject failure to predict the massive Soviet buildup" of nuclear missiles;
- "Wholesale failure to understand the characteristics of Soviet missiles under development prior to SALT I;
- "Failure to predict the major improvements in accuracy of Soviet ICBMs in the late 1970s;

- "Consistent gross misstatement of Soviet global objectives;

- "General failure to explain the characteristics of Soviet conventional weapons systems and vessels, for example, the Soviet T-64 and T-72 tanks and the new Russian guided missile cruisers;

- "Consistent miscalculation regarding the effect of and general apology for massive technology transfer from the West to the East;

- "Apparent internal failure of counterintelligence generally," and, of course,

- The entire situation in Iran.

This indictment would be merely embarrassing if it were only a matter of professional performance that had no bearing on national security. But the top-secret analysis estimates that, of the fast-approaching 10-year period when "The U.S. ICBM force will be totally vulnerable to a Soviet missile attack, at least five years can be attributed to miscalculation engendered by erroneous intelligence produced by the CIA."

Having listed the symptoms, the analysts proceed to diagnose the cause of our intelligence system's sickness:

There is "nothing that remotely resembles competitive analysis, nor is there any process for quality review," the report explains, adding: "These deficiencies exist notwithstanding general recognition by all governments that competitive analysis is essential to accuracy and that quality review is the best method of weeding out those incapable of or deliberately prone toward drawing incorrect assessments."

In fact, the analysis says, there "appears to be almost a direct relationship between degree of failure to predict accurately military and political developments—and career success." In other words, it's the bumbler who gets promoted.

There is no real review of intelligence estimates several years later, when their accuracy or inaccuracy would be obvious, and the analysts explain why: "Doing so would embarrass the CIA and would show a pattern of career advancement by those who gave the worst assessments."

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## Short-sighted spies?

President Reagan and his Central Intelligence Agency chief, William Casey, have been told in a top-secret report that they should reverse declining American expenditure on the CIA's spy-in-the-sky satellites. Prepared by intelligence experts at the request of Reagan's aides, the report says that "collection systems generally, both human and technical, have been grossly underfunded during the Carter years as continuation of budget cuts initiated during the Ford administration" and that the United States is "funding and planning to fund only about one-half the number of the various types of technical collection systems that it requires".

The report continues: "The systems of the 1970s are being replaced on a one-for-two basis, and the older systems are themselves being squeezed out at an imprudent rate unjustified by initial operating capability dates of new systems." Although more than \$1 billion is spent every year on technical collection systems, the report says this amount is not adequate and allows no room, for example, for the failure of a satellite launch between now and the mid-1980s. The report complains that Carter stopped production in 1977 of the best satellite system for high-resolution intelligence collection (able to focus on an area with great clarity). This system was better than its replacement, which can be flown on both high or medium-resolution missions, the experts' report said. It called Carter's decision "wholly unjustified" and said that satellite intelligence with "maximum measurement capability" may no longer be regularly available.

The report also complained that there are two high-altitude telemetry system satellites in operation "but both are dying" and that although the successor system is greatly improved, not enough satellites are being purchased to cover blind spots. The CIA plans to launch an improved high-to-medium-resolution electro-optical satellite after 1985 which might fill some gaps but there are not enough satellites capable of conducting searches in the pipeline, and there is no guarantee that the new system will function as planned, the report says. The United States depends heavily on the launch of this system, with no real backup, and "could be completely blinded with no overhead photo reconnaissance capability at all in the mid-1980s", the report says.

It recommends that Reagan build more of the kind of satellites that Carter ended, as well as a new photo-reconnaissance medium-resolution system for area search as an insurance against problems with the latest system. More satellites should be bought so that some can be held in reserve, because "as presently planned, all satellites in the new system must work or the United States will be blind". On the ground, the report says that "the number of collection stations should be roughly doubled to compensate for a reduction by one half during the Carter years".